



HOUSE OF REPRESENTATIVES

H. No. 5682

BY REPRESENTATIVES AGGABAO, ROBES, LAPUS, ROMUALDO, ANTONINO,
ARNAIZ, LAZATIN, MADRONA, MAGSAYSAY (M.), QUIMBO, RODRIGUEZ
(M.), SALVACION AND TEODORO, PER COMMITTEE REPORT NO. 1656

AN ACT FURTHER AMENDING PRESIDENTIAL DECREE NO. 1869, AS
AMENDED BY REPUBLIC ACT NO. 9487, OTHERWISE KNOWN
AS THE PAGCOR CHARTER, AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

1 SECTION 1. Section 3 of Presidential Decree No. 1869, as amended by
2 Republic Act No. 9487, otherwise known as the PAGCOR Charter, is hereby
3 further amended to read as follows:

4 “SEC. 3. *Corporate Powers.* – The Corporation shall have
5 the following powers and functions, among others:

6 “(a) to prescribe its By-Laws;

7 “(b) to adopt, alter and use a corporate seal;

8 “(c) to own real or personal property, to sell, alienate,
9 mortgage, encumber or otherwise dispose of the same;

10 “(d) to make contracts, and to sue and be sued;

11 “(e) to employ such officers and personnel as may be
12 necessary or proper to carry on its business;

1 “(f) to acquire, lease or maintain, whether on land, water or
2 air, personal property and such other equipment and facilities as
3 may be necessary or proper to carry out its purposes;

4 “(g) to import, buy, sell, or otherwise trade or deal in
5 merchandise, goods, wares and objects of all kinds and
6 descriptions that may be necessary or proper to carry out the
7 purposes for which it has been created;

8 “(h) to enter into, make, conclude, perform, and carry out
9 contracts of every kind and nature and for any lawful purpose
10 which are necessary, appropriate, proper or incidental to any
11 business or purpose of the PAGCOR [, including but not limited
12 to investment agreements, joint venture agreements, management
13 agreements, agency agreements, whether as principal or as an
14 agent, manpower supply agreements, or any other similar
15 agreements or arrangements with any person, firm, association or
16 corporation.] **WITH PRIOR NOTIFICATION AND APPROVAL OF**
17 **CONGRESS;**

18 “(i) to borrow money from local or foreign sources as may
19 be necessary or proper for its operations;

20 “(j) to invest its funds as the Corporation may deem
21 necessary or proper in any activity related to its principal
22 operation, including in any bonds or securities issued or
23 guaranteed by the Government of the Philippines;

24 “(k) to perform such other powers and functions as may be
25 provided by law; and

26 “(l) to do anything and everything necessary, proper,
27 desirable, convenient or suitable for the accomplishment of any
28 of the purposes or the attainment of any of the objects or the

1 furtherance of any of the powers herein stated, either alone or in
2 association with other corporations, firms or individuals, and to
3 do every other act or thing incidental, pertaining to, growing out
4 of, or connected with, the aforesaid purposes, objects or powers,
5 or any part thereof.”

6 SEC. 2. Title III, Section 8 of the same Decree, as amended, is hereby
7 amended to read as follows:

8 “SEC. 8. *Registration.* – All persons primarily engaged in
9 gambling **BUSINESS**, together with [their] allied business, with
10 contract or franchise **TO OPERATE** from the Corporation, shall
11 **APPLY FOR LEGISLATIVE FRANCHISE BEFORE THEY** register
12 and affiliate their businesses with the Corporation. The
13 Corporation shall issue the corresponding certificates of
14 affiliation upon compliance by the registering entity with the
15 promulgated rules and regulations thereon.”

16 SEC. 3. Title IV, Section 10 of the same Decree, as amended, is hereby
17 further amended to read as follows:

18 “SEC. 10. *Nature and Term of Franchise.* – Subject to the
19 terms and conditions established in this Decree, the
20 [Corporation] **PAGCOR** is hereby granted from the expiration
21 of its original term on July 11, 2008, another period of twenty-
22 five (25) years, [renewable for another twenty-five (25) years,]
23 the rights, privileges and authority to **ESTABLISH**, operate,
24 **REGULATE** and **ISSUE** license **TO OPERATE** gambling casinos,
25 gaming clubs and other similar recreation or amusement places,
26 gaming pools, i.e. basketball, football, bingo, [etc.] **POKER**
27 **CLUBS, E-GAMES, AND VIP CLUBS** except jai-alai, whether on

1 land or sea, within the territorial jurisdiction of the Republic of
2 the Philippines: **PROVIDED, THAT PRIOR TO THE ISSUANCE BY**
3 **PAGCOR OF A LICENSE TO OPERATE GAMBLING CASINOS, A**
4 **FRANCHISE SHALL BE OBTAINED FROM CONGRESS: *Provided,***
5 ***FURTHER,*** That the corporation AND/OR LICENSEE shall obtain
6 the consent of the local government unit that has territorial
7 jurisdiction over the area chosen as the site for any of its
8 operations.

9 "The operation of slot machines and other gambling
10 paraphernalia and equipment[,] shall not be allowed in
11 establishments open or accessible to the general public unless the
12 site of these operations are three-star hotels and resorts
13 accredited by the Department of Tourism authorized by the
14 corporation and by the local government unit concerned.

15 "The authority and power of the PAGCOR to [authorize,
16 license and regulate] **ESTABLISH, OPERATE, REGULATE AND**
17 **ISSUE A LICENSE TO OPERATE** games of chance, games of cards
18 and games of numbers shall not extend to: (1) games of chance
19 authorized, licensed and regulated or to be authorized, licensed
20 and regulated by, in, and under existing franchises or other
21 regulatory bodies; (2) games of chance, games of cards and
22 games of numbers authorized, licensed, regulated by, in, and
23 under special laws such as Republic Act No. 7922; and (3)
24 games of chance, games of cards and games of numbers like
25 cockfighting, authorized, licensed and regulated by local
26 government units. The conduct of such games of chance, games
27 of cards and games of numbers covered by existing franchises,

1 regulatory bodies or special laws, to the extent of the jurisdiction
2 and powers granted under such franchises and special laws, shall
3 be outside the licensing authority and regulatory powers of the
4 PAGCOR.”

5 SEC. 4. There shall be incorporated after Title VI, Section 16 of
6 Presidential Decree No. 1869, as amended, a new provision to read as follows:

7 “SEC. 17. *RESPECT FOR EXISTING FRANCHISES, LICENSES*
8 *AND CONTRACTS. – ALL FRANCHISES, LICENSES, CONTRACTS*
9 *AND OTHER SIMILAR ARRANGEMENTS GRANTED BY, OR*
10 *ENTERED INTO, WITH PRIVATE INDIVIDUALS OR ENTITIES FOR*
11 *THE ESTABLISHMENT, OPERATION AND MAINTENANCE OF*
12 *GAMBLING CASINOS, GAMING CLUBS AND OTHER SIMILAR*
13 *RECREATION OR AMUSEMENT PLACES DEVOTED TO GAMBLING*
14 *AND THE PLAYING OF GAMES OF CHANCE BEFORE THE*
15 *EFFECTIVITY OF THIS ACT SHALL BE RESPECTED AND SHALL*
16 *REMAIN IN FORCE UNTIL THEIR EXPIRATION: PROVIDED, THAT*
17 *THESE SHALL NOT EXCEED THE FRANCHISE TERM OF THE*
18 *PAGCOR. THEREAFTER, SUCH LICENSES, CONTRACTS AND*
19 *OTHER SIMILAR ARRANGEMENTS SHALL NOT BE RENEWED OR*
20 *EXTENDED UNLESS A FRANCHISE IS GRANTED TO THEM BY*
21 *CONGRESS: PROVIDED, FURTHER, THAT WITHIN ONE (1) YEAR*
22 *FROM THE EFFECTIVITY OF THIS ACT, LICENSE HOLDERS*
23 *SHALL SECURE A LEGISLATIVE FRANCHISE, NONCOMPLIANCE*
24 *WITH WHICH SHALL RESULT IN THE AUTOMATIC*
25 *CANCELLATION OF THE EXISTING LICENSES: PROVIDED,*
26 *FINALLY, THAT CONGRESS SHALL HAVE THE AUTHORITY TO*
27 *ALTER, AMEND OR REPEAL ANY FRANCHISE, CONTRACT OR*
28 *SIMILAR ARRANGEMENT WHEN THE COMMON GOOD SO*
29 *REQUIRES.”*

1 SEC. 5. Title VII, Section 17 and Title VIII, Sections 18, 19 and 20 of
2 Presidential Decree No. 1869, as amended, are hereby renumbered as Title
3 VIII, Section 18 and Title IX, Sections 19, 20 and 21, respectively.

4 SEC. 6. *Separability Clause.* – If any provision of this Act is declared
5 invalid or unconstitutional, the other provisions not affected thereby shall
6 continue to be in full force and effect.

7 SEC. 7. *Repealing Clause.* – All laws, decrees, executive orders,
8 proclamations, rules and regulations and other issuances or parts thereof which
9 are inconsistent with the provisions of this Act are hereby repealed or modified
10 accordingly.

11 SEC. 8. *Effectivity Clause.* – This Act shall take effect fifteen (15)
12 days after its publication in at least two (2) newspapers of general circulation.

Approved,

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